2 1979 NO. (!1 1 OF 1

JPRS L/8263

2 February 1979

TRANSLATIONS ON SUB-SAHARAN AFRICA FOUO No. 621









U. S. JOINT PUBLICATIONS RESEARCH SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

| BIBLIOGRAPHIC DATA SHEET 4. Title and Subtitle | JPRS L/8263 | 2. | 3. Recipient's Accession No. |
|---|---|------------------|--|
| | JB-SAHARAN AFRICA, FOUO | No. 621 | 5. Report Date 2 February 1979 |
| | | | 6. |
| 7. Author(s) | | | 8. Performing Organization Repr. |
| 9. Performing Organization Nam | e and Address | | 10. Project/Task/Work Unit No. |
| Joint Publications 1000 North Glebe Ro | Research Service | | |
| Arlington, Virginia | 22201 | | 11. Contract 'Grant No. |
| | | | |
| 12. Sponsoring Organization Na | me and Address | | 13. Type of Report & Period Covered |
| As above | | | |
| | | | 14. |
| 15. Supplementary Notes | | | |
| | | | |
| 16. Abstracts | | | |
| The report contain | s information from Africa | n and speciali | zed West Ruyanaan |
| publications and r | adio on political, econom | ic, and sociole | ogical developments. |
| | | , | Bases developmenes. |
| | | | |
| | | | |
| 7. Key Words and Document An | | | |
| Political Science | | | |
| Sociology | <u>x</u> Inter-African Aff. x Angola | X_Ghana | Rwanda |
| Economics | <u>X Migora</u> Benin | _X_Guinea | Sao Tome and |
| Culture (Social | Botswana | Guinea-Bis | trancipe |
| Sciences) | Burundi | Kenya | |
| Technological | Cameroon | Lesotho | Seychelles Sierra Leone |
| | Cape Verde | Liberia | Somalia |
| | <u>X</u> Central African | X Madagascar | South Africa |
| | Empire | Malawi | Swaziland |
| | _X_Chad | Mali | Tanzania |
| | Comoro Islands | Mauritius | X Togo |
| | <u>X</u> Congo Djibouti | Mozambique | |
| | Equatorial Guinea | Namibia | Upper Volta |
| N 14 | V Date / a / | Niger Nigeria | Zaire |
| b. Identifiers/Open-Ended Terr | Gabon | Reunion | Zambia |
| | Gambia | X Rhodesia | |
| | | | |
| | | | · |
| | | | |
| e. COSATI Field/Group 02 | ,5D,5C,5K | | |
| . Availability Statement | | 19. Security CI | |
| FOR OFFICIAL USE ONI | Y. Limited Number of | Report) | |
| Copies Available Fro | om JPRS | 20. Security Cl | SIFIED 38 |
| RM NT13-35 (REV. 3-72) | | UNCLAS | SIFIED |
| | THIS FORM MAY BE REP | RODUCED | USCOMM-DC 14932-P72 |

JPRS L/8263

2 February 1979

TRANSLATIONS ON SUB-SAHARAN AFRICA

FOUO No. 621

| Contents | Page |
|--|--------|
| INTER-AFRICAN AFFAIRS | |
| Briefs Ghana-Ivory Coast Electricity Interconnection | 1 |
| ANGOLA | |
| Article Analyzes Reasons Underlying Cabinet Changes (JEUNE AFRIQUE, 20 Dec 78) | 2 |
| Briefs Luanda Execution Site | 4 |
| CENTRAL AFRICAN EMPIRE | |
| Slovenia-Bois Installations Opened (MARCHES TROPICAUX ET MEDITERRANEENS, 29 Dec 78) | 5 |
| Briefs UNDP Aid to Agriculture PRC Bridge Construction Agreement | 7 |
| CHAD | |
| Briefs Petroleum Refinery Financing | 8 |
| CONGO Briefs | |
| French-Congolese Financing Agreements Angolan Cultural Center in Brazzaville | 9 9 |
| ETHIOPIA | |
| Two Revolutionary Leaders Discuss Situation in Eritrea (Faris Bazzi; AL-WATAN AL-'ARABI, 14-20 Dec 78) | 10 |
| -a - [III - NE & A - 122] | revol |

FOR OFFICIAL USE ONLY

| | CONTENTS (Continued) | PAGE |
|-------------|---|----------------|
| • | GHANA | |
| - - - | Briefs Hydroelectric Project Cost Up Bulgarian Trade Delegation Replacement of Diseased Trees | 17 17 17 |
| | GUINEA | |
| | Conakry, Guineans Surveyed, Paradoxes Pointed Out (Mohamed Selhami; JEUNE AFRIQUE, 20 Dec 78) | 18 |
| | Possible Solutions Reviewed for Currency Recovery (Sory Serinde Di Mo; JEUNE AFRIQUE, 20 Dec 78) | 21 |
| | MADAGASCAR | |
| | Report Indicates Improved Production, Trade in 1977 (MARCHES TROPICAUX ET MEDITERRANEENS, 8, 15 Dec 78) | 23 |
| | Upward Trend Noted 1979 Budget | |
| - | Briefs Defense, Other Ministries' Budgets Increased | 29 |
| | RHODESIA | |
| | Nkomo Tells Why He Met With Smith (Joshua Nkomo Interview; AFRIQUE-ASIE, 11-24 Dec 78) | 30 |
| | TOGO | |
| | Briefs Austerity Budget Adopted French Financing Agreement | 35 35 |
| | UGANDA | |
| | Briefs ADB Aid | 36 |

-b-

INTER-AFRICAN AFFAIRS

BRIEFS

GHANA-IVORY COAST ELECTRICITY INTERCONNECTION--Dr E. E. Quartey, the director of the Volta River Authority (VRA), and Mr Lambert Konan, the managing director of Ivory Coast Electricity (EDCI), signed on 11 December in Accra a protocol agreement for the interconnection of the electrical networks of the two countries, a project the cost of which will amount to 25.76 million units of account, that is the equivalent of 6.8 billion CFA francs, which is to be financed jointly by the African Development Bank (ADB) (10 million UC), the European Investment Bank (EIB) (11.03 million UC), Ghana (2.39 million) and the Ivory Coast (2.34 million) and on which work will begin this year and will be finished in 1982. The feasibility studies for this project, whose conception goes back to 1963, although nothing precise was agreed upon until the first bilateral agreement was concluded in 1975, were turned over in 1976 to the Belgian research firm, Fernand Court, which made its report to the interested countries last February. The agreement which has just been signed in Accra is one of the concrete results of the visit to the Ivory Coast by the Chanian chief of state, Lieutenant General Akuffo (MTM 8 Dec p 3379). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANIENS in French 22 Dec 78 p 3506] 8956

CSO: 4400

1

ANGOLA

ARTICLE ANALYZES REASONS UNDERLYING CABINET CHANGES

Paris JEUNE AFRIQUE in French No 937, 20 Dec 78 p 33

[Text] At the end of an extraordinary session of the MPLA Central Committee on Saturday, 9 December, the following officials were fired: Angolan Prime Minister Lopo do Nascimento, Minister of Planning Carlos Rocha "Dilolwa," the other two deputy prime ministers, José Eduardo dos Santos and Pedro da Costa van Dunem, and three ministers, Paulo Pinto Joao (domestic trade), Manuel de Oliveira (housing and construction) and Maria Mambo Cafe (Deputy Minister for Domestic Trade). This dismissal is more than a simple palace revolution. It shows how far Agostinho Neto intends to pursue his dual policy of diplomatic overture abroad and pragmatism in internal affairs, begun since the end of the Second Shaba War 9 months ago.

The Angolan president hit the high and mighty. Thirty-eight years old, prime minister since the independence, a brillant and elegant intellectual, Lopo do Nascimento was generally considered to be one of Agostinho Neto's trusted men and one of the more active artisans of the policy of rapprochement with the West. During the past year, his contacts with the Nigerian authorities—acting as a sort of mediator between Angola and the West—tended to prove that, on that specific point, the prime minister agreed with his president.

In fact, the difference of opinion between Nascimento and Neto centered mostly on domestic policy and more specifically, on the Cuban presence. Besides, JEUNE AFRIQUE had already disclosed that the two men differed on that subject, Neto favoring the progressive reduction of Cubans in Angola and Nascimento advocating their stay, if not their increase (JEUNE AFRIQUE No 932). Supported by the Minister of Planning Carlos Rocha "Dilolwa," a bearded half-breed, Lopo do Nascimento was asserting that Angola needed the Cubans more than ever to fight the UNITA men and relaunch the economy according to "authentically socialist principles." As for Neto, disappointed over the "bearded ones'" lack of military effectiveness in the fight against the guerrilla and made cautious by the inexperience of the technicians from Havana, he advocates calling on western collaborators—especially Portuguese—in addition to developing the private sector.

FOR OFFICIAL USE ONLY

By initiating such an important purge and, at the same time, abolishing the post of prime minister and deputy prime minister, Agostinho Neto has undoubtedly strengthened his authority. Will he be able to go further along this path without causing a reaction on the part of his already fairly worried allies in the socialist bloc?

COPYRIGHT: Jeune Afrique GRUPJIA 1979

6857

CSO: 4400

FOR OFFICIAL USE ONLY

ANGOLA

BRIEFS

LUANDA EXECUTION SITE--Executions are said to be taking place daily at a football stadium in Luanda, the Angolan capital, according to statements by Angolans who fled their country on 30 December last on a raft and sought refuge in Namibia (formerly Southwest Africa). [Text] [Paris VALEURS ACTUELLES in French 15 Jan 79 p 35]

CSO: 4400

CENTRAL AFRICAN EMPIRE

SLOVENIA-BOIS INSTALLATIONS OPENED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p 3568

/Text/ On 8 December 1978, in the presence of the Yugoslav federal government representative, Emperor Bokassa I opened the Slovenia-Bois lumber company's new installations.

These installations include a cutting mill, a wood-peeling mill and a stream driven power station using wood chips. They have just been added to the saw mill which began operating in 1975.

Slovenia-Bois is an SARL /Limited Liability Company/ with a capital of 250 million CFA francs, a subsidiary of the Slovenijales company in Ljubjana. It was established in 1970 by ECA /Economic Commission for Africa/ at Bayanga in Haute-Sangha, that is to say, at the tip of land that separates Cameroon from the Congo Republic, south of Nola.

Slovenia-Bois received a permit to explore 100,000 hectares and another for 300,000 hectares, kept in reserve for the moment. The exploration is in particular producing sapelli and sipo, but also some ayous, limba and dibetou. In 1977 Slovenia-Bois produced 49,436 cubic meters of rough timber and 2,000 cubic meters of sawn timber. It exported 33,269 cubic meters of which 70 percent went to Yugoslavia and 30 percent to other European countries. The country therefore ranks fourth among the lumber companies set up by ECA.

The new installations will make it possible to process a large part of this raw timber, as in 1980, Slovenia-Bois expects to produce 15,000 cubic meters of sawn timber, 2,000 cubic meters of wood-peeling and 1,200 cubic meters of cut wood.

Half of the company's total output can thus be exported by river on barges, as 85 percent is now being exported on rafts with countless consequent losses. Thanks to Slovenia-Bois, the little fishing village of Bayanga has become a large important village. In fact, the company is employing 15 exiled Yugoslavs and 510 Central Africans. It therefore had to build 12 wooden houses for the staffs, 70 dwellings for the personnel, a canteen-bar, schools, and a police headquarters. Slovenia-Bois has brought about all this growth and Bayanga now has 2,500 inhabitants.

Slovenia-Bois' total ECA investments are evaluated at 2.5 billion CFA francs.

Mr Franc Benovic is the Slovenia-Bois manager.

COPYRIGHT: Rene Moreux et Cie, Paris, 1978

8870

CSO: 4400

FOR OFFICIAL USE ONLY

CENTRAL AFRICAN EMPIRE

BRIEFS

UNDP AID TO AGRICULTURE—The Central African Empire and the United Nations' Program for Development (UNPD), on 9 December, signed an agreement relative to agronomic research and the increase of food seeds which FAO /Food and Agricultural Organizations/ experts are promoting. This project, CAF/77/003, is a continuation of CAF/72/003 (Increase of food seeds) and CAF/72/006 (Agronomic research on food, vegetable and fruit seeds). The Central American minister of international planning, statistics and cooperation on this occasion stated that this project "is in keeping with both the quantitative improvements in food production and with the prospect of establishing a highly productive modern agriculture." Project CAF/77/003 will extend over 4 years. Its estimated cost is \$1.75 million which includes the sending of experts (19 men/month), the allocation of grants (24-month grants + group training), equipment (\$200,000) and various loans (\$100,000). /Text//Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p 3568/ 8870

PRC BRIDGE CONSTRUCTION AGREEMENT—The Central African minister of international planning, statistics and cooperation and the ambassador of the People's Republic of China at Bangui, on 8 December, signed an agreement according to which China agrees to build a bridge over the Lobaye. /Text//Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p 3568/8870

CSO: 4400

FOR OFFICIAL USE ONLY

CHAD

BRIEFS

PETROLEUM REFINERY FINANCING--The Islamic Bank of Development will furnish Chad with 3 billion CFA francs towards an oil project which includes the construction of a refinery and a pipeline totaling 15 billion CFA francs. /Text//Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p3568/8870

CSO: 4400

8

FOR OFFICIAL USE ONLY

CONGO

BRIEFS

FRENCH-CONCOLESE FINANCING AGREEMENTS--Three financing agreements to the amount of FR (CFA) 440 million (Fr (French) 8.8 million) has just been signed in Brazzaville between the Congo and France through the Aid and Cooperation Fund (FAC). The first has in view FAC's participation in the realignment of the Congo railroad (CFCO); the second is concerned with scientific research and the third deals with completing the equipment intended for the Geographic Institute of the Congo. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p 3568/8870

ANGOLAN CULTURAL CENTER IN BRAZZAVILLE--The Congolese minister of culture, arts and sports has inaugurated a recently established cultural center in Brazzaville. During the ceremony, the Congolese minister stated, among other things: "Long before colonization, in Menikongo's time, these two peoples (Angolan and Congolese) were closely united in an economic and spiritual but not cultural plan. Today the desire to construct a socialist society has led these two peoples to enter into a firm alliance of brotherly friendship and cooperation in all areas." This cultural center includes a conference hall, a library, a lecture room, a moving-picture hall and sports installations. Text/ Paris MARCHES TROPICAUX ET MEDITER:ANNEENS in French 29 Dec 78 p 3568/8870

CSO: 4400

9

ETHIOPIA

TWO REVOLUTIONARY LEADERS DISCUSS SITUATION IN ERITREA

Paris AL-WATAN AL-'ARABI in Arabic 14-20 Dec 78 pp 32, 33

/Article by Faris_Bazzi: "Eritrea between the Sickle of Ethiopia and the Hammer of Russia"/

/Text/ Soviet military support for the Ethiopian counterattack against the national liberation forces in Eritrea has managed to disturb the balance of power in the African horn. It has entailed the creation of a new international strategic political situation whose moral effects have begun to be reflected in circumstances which were not typical of the Soviet Union, in its customary role as a natural ally of liberation forces. The Soviet Union has preferred to enter the game of a test of strength by relying on Western criteria derived, from attempts to develop imperialism by the partly overt, partly covert means of indirect dominance and benevolent guardianship.

The latest reports coming out of Khartoum from the battlefronts state that revolutionary brigades have emerged from a violent clash with an Ethiopian attack which they succeeded in containing. The attack was launched north of Keren with the establishment of a new line of defense stretching from the hill area to the Red Sea a few kilometers from the northern heights above the city of Asmara.

The Soviet fleet set out to smash some positions along the line of defense through a comprehensive bombardment which on two successive occasions had the objective of bringing armored forces up to the heights above the port of Gulbub, a small fishing harbor, isolated as a result of the consequences of war, which is 90 kilometers north of Massawa.

Sources in the Popular Front for the Liberation of Eritrea say that Soviet losses in these two attempts were extreme, since the Soviets were surprised by a density of fire which they had not taken into account.

Perhaps it is this failure which led to a tactical change aimed at turning the Ethiopian invasion into dominance of the coast region in order to isolate the revolutionaries from the outer world. At this point the

10

FOR OFFICIAL USE ONLY

Ethiopian-Soviet tendencies have assumed an especially grave character, making the Soviet Union not a partner in a police action but an active partner in a real war which is destined to continue.

While Arab observers are keeping their eyes out hopefully for the results of the discussion going on in Khartoum, on initiative of President Ja'far Numayri, among representatives of the three detachments of the revolution, the war of words is still going on among them. Perhaps an expansion of the scope of discussion by various bodies on true responsibility for the military disaster which has befallen the revolution will be very beneficial in giving the ravolutionaries help from Arab entities in evaluating their errors, proceeding from premises of specific responsibility.

In this framework, AL-WATAN AL-'ARABI this week is completing the indirect dialogue between Osman Saleh Sabbe, president of the Central Bureau of the Eritrean Liberation Front, Popular Liberation Forces, and 'Ali al-Sayyid 'Abdallah, member of the Political Bureau of the Popular Front for the Liberation of Eritrea (responsible for security). This is a dialogue which has taken place as follows through separate interviews with both men:

Osman Saleh Sabbe: Those Who Trafficked in Marxist Slogans Bear Responsibility for the Defeat

/Question/ Whom would you hold responsible for the fall of the Eritrean towns, in particular the Keren base?

/Answer/ I hold those who trafficked in Marxist slogans responsible, both in the Revolutionary Council and in the Popular Front. They are wholly responsible for enabling Ethiopia to regain the liberated towns. If the leader of the Popular Front, Isaias Afework, had accepted the unity agreement which was signed in Khartoum in 1975, and if he had also accepted the unity plan for the three detachments in 1977, Eritrea would be an independent state today, because, during this period, we enjoyed a number of positive advantages, including Ethiopia's military weakness and the readiness of the Arab states and a number of African countries to recognize Eritrea's independence and support it politically and militarily.

The Revolutionary Council also bears the same extent of responsibility because in 1976 it abrogated the unity agreement signed with the Popular Liberation Forces in 1975. Then it abrogated the military coordination agreement it had also signed with the Popular Liberation Forces in 1977, without any national justification. At that time its excuse was that a third party, the Popular Front, was still outside the framework of this unity and thus, through this conduct it weakened, instead of strengthening, the unificationist tendency. It then entered into a process of maneuvering with the Popular Front by declaring a unity agreement between itself and the Popular Front in October 1977--none of the stipulations of which were carried out--and the leaders of both organizations became the prisoners of their personal ambitions with the objective of monopolizing power and alienating the other party.

11

FUR UPFICIAL USE UNLY

This is what helped the Ethiopian maneuvers play a game of exploiting the Eritrean rifts. Ethiopian sources, for instance, portray the council as the progressive party with which one must reach an understanding, and sometimes they give this description to the Popular Front.

Some foreign countries supporting Ethiopia have helped make this game a success, especially the Soviet Union and the countries revolving in its orbit. The Soviet Union rained down appeals onto the leaders of the detachments through its intermediaries, calling for the attainment of a peaceful resolution through negotiation. East Berlin and Aden were two fundamental posts in this maneuver. Isaias Afework, on his own and through the delegations representing him, made frequent visits to East Berlin, where he met the head of the Political Committee in the Derg, Berhanu Bayeh, in May 1978. He had met with him in Aden, prior to that, in September 1977, and a third meeting with a delegation consisting of four members of the Central Committee of the Popular Front, took place in Addis Ababa, in February of this year.

At the same time, the Revolutionary Council is making an effort to seize an illusory opportunity and has been vying with the Popular Front in propounding its Marxism. It sent its delegates to East Berlin three times, in November 1977 and June 1978, and these meetings were crowned by Ahmad Nasir's visit to Moscow in June of this year, after being accompanied by the well-known media clamor in Beirut.

For our part, we have been observing events from an Eritrean nationalist point of view and have been discovering what is going on between Addis Ababa and Moscow. It came to our knowledge, through a fraternal Arab state, after our delegation returned from East Berlin in November 1977, that the real Soviet objective behind these appeals was to gain time for Mengistu's regime under the veil of peaceful appeals, so that it would be in a military position which would enable it to pounce on the Eritrean revolution.

For the historical record, we have conveyed this information to officials of the two fronts via certain fraternal Arab countries, but without the least response. The Soviet scheme continued as it had been planned. By a fortunate coincidence, we obtained the minutes of meetings between the leaders of the two organizations in the Revolutionary Council and Popular Front and a Palestinian leader of Marxist tendencies. These minutes contained serious information regarding the roles the Revolutionary Council was expected to play in order to arrive at a compromise solution of the Britrean problem, such as a solution represented by a confederation, which would of necessity include the liquidation of the Popular Liberation Forces. The minutes concluded with an opinion by this leader, who recommended that a military blow be struck concurrent with diplomatic activity, considering that to be the sole means for attaining a political resolution to the Britrean problem.

These minutes were dated May 1978 and were presented to the Soviet Union. They are lengthy minutes, consisting of 180 legal-size pages. Not much time elapsed before we saw the results of these conspiracies appearing on the stage. The Ethiopian invasion, backed up by Soviet arms and Cuban soldiers, took place after they had guaranteed that the detachments of the Eritrean revolution would be fragmented.

Prepared To Respond to Any Invitation

/Question/ You responded to the East Germans' invitation in May of last year, just as the leaders of the council and the Popular Front responded. How do you explain your participation in negotiations similar to those which took place in Berlin?

/Answer/ We have no touchy feelings toward any country which makes efforts on behalf of creating a peaceful solution to the Eritrean cause, be that East Germany or West Germany. We are now ready to visit East Germany, Moscow or any other country in the world, if this will help in attainment of our aspirations to national independence and establishment of a just peace in the region. When our delegation visited East Berlin, it expressed our organization's viewpoint clearly and frankly and emphasized these two fundamental points:

- 1. We are in favor of negotiating with Ethiopia, without relinquishing our legitimate demand for independence.
- 2. Negotiation must take place after the attainment of unity among the three detachments, so that the delegation, and not one group to the exclusion of another, will represent Eritrea.

The Revolution Will Remain Strong

/Question/ However, if agreement on formation of a united delegation to the negotiations is reached among the detachments of the revolution, will you agree to negotiate during this phase, now that the Ethiopian regime has regained all the Eritrean towns which had been liberated?

/Answer/ From the time it owned one rifle, in 1961, the Eritrean revolution has been strong, because it has possessed total popular support. The regaining of one town or 10 towns will not create a condition of weakness as far as the Eritrean revolution goes--the Eritrean countryside will remain a mighty stronghold of the Eritrean revolution, and the towns will continue to be surrounded by the countryside.

Do not forget that the Eritrean revolution, in spite of its many problems, still possesses weapons and men. I can say, without revealing a secret, that in the past 6 months of this year we have received double the arms we received the past 2 years and we are confident that the Sudan, which

CHARLES AND A STATE OF THE SAME

constitutes a strategic heartland of the Eritrean revolution, will continue to support the revolution for reasons of principle, security and strategy.

/Question/ Circles in the Revolutionary Council say that they have fought against the Popular Liberation Forces in order to prevent American influence from infiltrating the region through the Eritrean revolution.

/Answer/ We are not on America's side against Russia or on Russia's side against America. However, it is useful that the world know that the two countries' position on this area is governed by the policy of international detente and America's fixed view of preventing Eritrea's independence in order to preserve what it calls the unity of the Ethiopian empire. However, the Western states as a whole approve of the extension of Ethiopia along the Red Ses, as a Christian country, in place of the establishment of an independent Eritrean state linked of necessity to the Arab nation.

If there is a real reason compelling the Revolutionary Council and the Popular Front to meet with the Popular Liberation Forces, that is fear of the Popular Liberation Forces' position, which holds that Eritrea must be linked to the Arab nation. As far as we are concerned this is a natural matter which is made inevitable by Eritrea's geographical, historical, cultural, religious and security relationship with the Arab nation.

Numayri's Position

/Question/ What will be your position regarding anticipated negotiations, if you are compelled to deal with the Ethiopian regime and with President Ja'far Numayri, in his capacity as president of the current session of the Organization of African Unity, proceeding from the Charter on African Unity which rejects changes in the official African boundaries inherited from the colonial eras?

/Answer/ President Numayri has asserted to us that he will not interfere in the type of solution. Rather, his fundamental concern is to bring both sides to the negotiating table. The type of solution will depend on the results attained by the Eritrean and Ethiopian parties: President Numayri has also pointed out, more than once, that the Eritrean issue is not an internal Ethiopian matter. This means that the Eritrean problem does not fall within the framework of what are called issues of secession. In the event of negotiations, we are ready to reach understanding with Ethiopian demands related to Eritrean outlets to the sea, because Ethiopia, as is well known, is a landlocked country which does not possess them. The Eritrean party must reach an understanding on Ethiopia's need for an outlet to the sea but in a manner which will not lead to the loss of Eritrean sovereignty over the coasts of Eritrea.

Interview with 'Ali al-Sayyid 'Abdallah

/Question/ It has been observed that in the statement in which you announced the withdrawal from Keren, you used the expression "strategic withdrawal," while you said that you had made a tactical withdrawal from the Massawa-Asmara road.

/Answer/ The new circumstances, which arose from the nature of the struggle, caused us to make a strategic withdrawal from Keren because we do not intend at the present time to attack the enemy's positions in the town of Keren, while our withdrawal from the Massawa-Asmara road was a tactical one wherein we were still carrying out operations of surrounding enemy positions on this road.

We are not at present facing the army of the Derg. We are facing the Soviet Union, which has put all its military resources into the battle. Soviet experts are performing direct surveillance of the battles underway. Proceeding from this fact, it was necessary, in the face of this new reality, to change our military positions and lines while the Ethiopian-Soviet invasion was still going on, since its object is to reach the last positions lying under the dominance of the Popular Front in the Coastal Directorate-that is, to reach Qarurah, which lies alongside the Sudanese border, if possible. The enemy is working seriously and is concentrating his human and military forces, for which he has mobilized no less than 120,000 soldiers supported by hundreds of tanks.

Soviet participation in the Combat

 \sqrt{Q} uestion/ What is your information about Soviet participation in the combat?

/Answer/ Soviet participation is on a wide scale and takes a form which gives the impression that it is considering trying to exterminate the Britrean people. Citizens who have fled from the fighting were pursued by MiG aircraft flown by Soviet pilots.

We Are Against Internecine Warfare

/Question/ What is your opinion on the internecine fighting which started up again between the forces of the council and the Popular Liberation Forces during your confrontation with the army of the Derg?

/Answer/ We basically condemn all internecine fighting which might arise between Eritreans. We are firmly convinced that secondary contradictions cannot be solved by force of arms.

Our Meeting with the Derg in Berlin

/Question/ There are people who believe that the contacts you made previously with the Derg in Berlin, Aden and Beirut have also had a negative effect and have also shut you off from a vision of the future.

/Answer/ When we responded to the request for negotiations, we did not go to negotiate with the Derg. During our meeting with representatives of Bast Germany and the Derg in Berlin, we were asked about our view regarding a solution to the Eritrean question and we emphasized one thing:

First, the Ethiopian regime must recognize the leadership, which was formed by us and the Revolutionary Council as a result of the October agreement, as the sole legitimate representative of the Eritrean people. The Derg was then making its first attack, at the very time it was raising the slogan of a peaceful resolution to the issue. Through our insistence that the Derg's slogan was a maneuver and nothing more, we went to Berlin to reveal this fact. What we learned from the Ethiopian delegation was that it was impossible for it to accept any solution which was not within the framework of the nine points it had previously announced.

We Do Not Recognize Sabbe's Group

 $\sqrt{Q}uestion$. It is well known that the Sudanese authorities have sent the three parties an invitation to meet at one table in Khartoum. What is your position on meeting with Osman Saleh Sabbe?

/Answer/ We were not informed by the Sudanese authorities of the principle that the meeting would be held between the three detachments of the revolution. For our part, as is well known to everyone, we do not recognize the third party, which consists of Sabbe's group. Our understanding is that the Sudaner authorities' invitation was for a meeting between the two organizations. In spite of that, we have agreed that the meeting should take place at its scheduled time.

We Will Never Negotiate from a Position of Weakness

Question/ Extensive African and international contacts are underway to start the negotiation in order to arrive at a peaceful resolution of the Eritrean issue. What is your position?

/Answer/ We are not ready to negotiate from a position of weakness. At present we are arranging our circumstances and once more reorganizing our army. We are defining our methods of action, and what is harmonious with the new stage. Our struggle will be a long one and we are embarking on a long-range people's war. However, we are fully confident of the inevitability of our victory, no matter how the pressures on the revolution might increase, and no matter how it might be exposed to attack by foreign forces.

COPYRIGHT: Paris Al-Watan Al-Arabi 1978

11887 CSO: 4402

GHANA

BRIEFS

HYDROELECTRIC PROJECT COST UP--The Kpong hydroelectric project, which initially was to cost 230 million cedis (on the basis of the price of materials in 1977) will, because of world inflation and the devaluation of the local currency, finally amount to some 570 million cedis. That is what the director of the project, Mr. M. E. A. Mensah, announced at the beginning of December, pointing out nevertheless, that work was progessing normally, according to schedule, and that completion was still planned for the month of May 1981. At present, between 10 and 15 percent of the work has been completed. [Excerpt] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Dec 78 p 3506] 8956

BULGARIAN TRADE DELEGATION--The delegation consisting of two members of the Chamber of Commerce and Industry of Bulgaria, headed by its director, Mr S. T. Staner, accompanied by Madame Maria Petrunova, who had come to tour West Africa (Ghana, Togo, Ivory Coast, Nigeria and Benin) was in Accra at the beginning of December and signed a trade agreement with the Ghanian chamber. Mr Staner invited Ghana to participate in the next Plodiv fair (3-10 September 1979) and hoped at least that the Ghanian commissioner of Commerce and Industry would attend. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Dec 78 p 3506] 8956

REPLACEMENT OF DISEASED TREES--An official of the Ghanian [Commission] for cocoa affairs recently revealed that 37 million trees had been found to be infected with swollen shoot and would have to be destroyed and replaced by hybrid varieties having an early ord high yield. The official, Mr S. M. K. Adu, stated that 90 percent of the diseased trees were located in the Orientale region. He pointed out, moreover, that since 1976, 27 million trees had already been destroyed and replaced. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Dec 78 p 3506] 8956

CSO: 4400

17

GUINEA

CONAKRY, GUINEANS SURVEYED, PARADOXES POINTED OUT

Paris JEUNE AFRIQUE in French No 937, 20 Dec 78 pp 24, 26, 27

[Article by Mohamed Selhami]

[Excerpts] The UTA [Air Transportation Union] DC 8 begins its descent toward the airport. We are flying low over Guinea on this sunny day, 30 November. The rainy season has ended. Through the window we can gaze at the variety of the landscape dominated by the greenish savanna. The ground is still soaked. Here and there, grayish patches appear. We are told they are lodes of ironbearing ores.

So, here we are in Conakry.

The exuberance of nature goes hand in hand with the diversity of the population. It is today's Guinea which does not differ from the old Guinea. Life has not changed either. Nothing betrays the effect of the police world which may be found a few kilometers further in Dakar, Abidjan or Freetown.

Here, the people are still living at the rhythm of their ancestors: hunters, fishermen, barterers and dancers. Politics is foreign to them despite the claims to the contrary of a few intellectuals. The Guinean's enemy is neither the Frenchman, the American or, even less, the Ivorian or Senegalese. The enemy is the bowl of rice and fish which has become difficult to earn. Yet, agricultural potentialities are numerous, so fertile is the land.

The Conakry market offers a multitude of vegetables and fruits spread over rickety stands. It is too bad that most of these produces are so expensive: one kilogram of tomatoes costs more than 400 silys (1 sily = 12.5 CFA). When we know that the average wage barely exceeds 2,000 silys, we can understand why the bowl of rice and fish is so coveted. As for meat, unlike what is being said, there is some in Guinea but the price is prohibitive.

No trace of modernity in Conakry. Yet it grows, poor as it is: mud houses are sprouting like mushrooms due to the rural exodus and the birth rate which is close to 50 per 1,000. The population which numbered 300,000 inhabitants in 1976 now exceeds 500,000.

18

Three to four families live in one house. Each pay a monthly rent of 1,000 silys. Thousands of children swarm the streets, barely clothed and barefooted. Some go to school but do not look like school children. Others, a little older, go to the Polytechnical Institute, but their knowledge leaves much to be desired. Others still belong to the militia. Their rifle slung over the shoulder, they cheerfully stroll through the town on the lookeut for anti-revolutionaries or a tourist trying to take pictures (it is forbidden to take pictures in Conakry).

The soldiers' and policemen's good nature comes as a surprise. Seeing them like that, they appear incapable of using their tremendous power. Yet they do it so scrupulously that they spread terror through the population. Army and police are the undisputed masters of the country. They receive their orders directly from the chief of state.

Ahmed Sékou Touré is much esteemed by the Guineans. All those we questioned about him showered him with praises.

The "Great Sily" is both revered and feared. His speeches appear in school and university programs. His picture, spontaneously drawn by young volunteer artists, can be found in every street corner.

The Guinea we visited from Conakry to Kankan is socially poor, to be sure, but rich in heart. It is in a developing stage, though the Monrovia Summit of March 1978 may have already begun the process. The Guineans are delighted. Without rejecting their past policy, they talk about the future with, occasionally, undue optimism. "We will get rich rapidly and we will be able to deal with the rest of the world as equals."

Valery Giscard d'Estaing's visit to Conakry is impatiently expected. "We prefer the French to the Soviets. The latter were not useful at all. You see the state of our country and the ability of our cadres. Everything leaves to be desired. Their influence was useless, fortunately, even ideologically.

Paradoxically, those who were trained in Moscow fight Marxism the most vehemently and preach overture toward the West: "Maybe we will see a liberalization of the regime in the near future." They believe in this very deeply.

Many are those who wish for the return of exiled opponents: "The brain drain was very detrimental to us." Do those opponents not run the risk of encountering the same fate as Diallo Telli and his companions? No answer. Everybody knows what happened, but nobody talks about it. At this point in the conversation, terror settles in, even among the favored.

Guinea is a country of paradoxes: abundant wealth, but too evident a poverty; professed freedom, but impossible to exercise; a simple, modest and intelligent chief of state, but his actions are often deplorable; Marxist oriented theories, but an Islam very much alive. With regard to religion, Conakry will soon have a great mosque being built by the Moroccans and financed by the Saoudi (25 million dollars).

19

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Since the early days of December, Conakry has been preparing feverishly so greet the French president. Extensive work is being done to the Fidel Castro Highway as well as the Avenue of the Independence which leads to the presidential palace. Guineans are convinced that things will change in their country. Their only fear comes from the moodiness of Sékou Touré whose reversals are famous.

One of the latest: after having been received warmly for 5 days, we were suddenly expelled by order of the president. The policemen's explanation remains difficult to understand: "Unfortunately for us, you are Moroccans." However, what little time we spent in the country enabled us to revise many of our ideas on Guinea. Despite the shocking nature of the official policy in Guinea, there are the Guineans and that is what counts the most.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

6857

CSO: 4400

GUINEA

POSSIBLE SOLUTIONS REVIEWED FOR CURRENCY RECOVERY

Paris JEUNE AFRIQUE in French No 937, 20 Dec 78 p 15

[Article by Sory Serinde Diallo: "Will Guinea Reenter the Franc Zone? (JEUNE AFRIQUE answers question submitted by Jerome Kouacou)"]

[Text] In March 1960, Guinea withdrew from the franc zone. It created an issuing institute, the Bank of the Republic of Guinea (BRG) to replace the local BCEAO (Central Bank of the West African States) agency, and a national currency, the Guinean franc (FG) equal to a CFA franc, but inconvertible.

The reform was followed up in June 1961 and January 1962 with the nationalization of banks and insurances. In the mind of the Guinean leaders, this would give them mastery over monetary policy and credit and, consequently, over economic policy as well.

Due to both the officials' inexperience and political interferences, BRG management soon brought on inflation and a lack of interest in the new currency. In March 1963, to avoid disaster, the government withdrew the bills in circulation and replaced them with new ones. No economic measures having been taken, the slump persisted and inflation worsened. The monetary mass grew in proportions unrelated to the level of economic development.

Consequently, another reform was effected in October 1972, involving the creation of a new currency, the sily (1 sily = 10 FG = 10 CFA francs). It was no more successful than the previous reforms.

Today, the sily is even being shunned by the government which has been collecting taxes in products (rice, corn, fonio) since 1975, part of which goes to pay government employees and public enterprises. In 1976, the government stopped issuing bills and withdrew a large number of them from circulation, for burning.

The cure was worse than the sickness; it led to such a shortage of silys that, now, Guineans buy with CFA francs which they acquire in neighborhood countries (Ivory Coast, Senegal), a fairly easy matter since the opening of the borders. Paradoxically, the authorities shut their eyes, with the result that, in March 1978, one CFA franc was being exchanged on the black market for 50 silys.

21 FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

This is the situation which is supposed to be stabilized by the new reform announced by President Sékou Touré last October. The called-for measures have not yet been defined, but three schemes are possible. The first would simply entail changing the currency while maintaining the autonomous zone and inconvertibility of the currency and, eventually, adopting a new parity. It would be the reenactment of past reforms which seem to have been censured by experience. Second solution: a pure and simple, but progressive, reintegration into the franc zone, with adherance to UMOA (West African Monetary Union) and admission to ICEAO. The sily would be replaced by the CFA franc and BRG would once again become a BCEAO agency. In the present state of the Guinean economy, members of the franc zone would be unlikely to accept this solution, even if Conakry were to request it.

The third and, seemingly, more probable scheme is as follows: Guinea, like Mali, would keep its currency and issuing institute, but it would nevertheless reintegrate the franc zone. Its currency would then be convertible and guaranteed by the French Treasury where Guinea would have an operating account at its disposal. (Operating account: an account opened by the French Treasury in behalf of issuing institutes of states which are members of the franc zone, for depositing funds (foreign currency) acquired outside their issuing zone. In exchange, the French Treasury holds at the disposal of those institutes the funds necessary to settle their accounts in francs and foreign currency. In its role as banker, the Treasury is not without imposing certain conditions and restrictions.) However, Conakry would have to pay the price of such a solution. Among other things, it would have to reorganize the management of public enterprises showing a deficit, by reducing the number of employees and even shutting some of them down. French representatives would have to sit on the board of directors of BRG.

This would present a problem more political than technical: some could see it as a challenge to the attainments of the revolution and a revenge of neo-colonialism 20 years after the NO of 28 September 1958.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

6857

CSO: 4400

FOR OFFICIAL USE ONLY

MADAGASCAR

REPORT INDICATES IMPROVED PRODUCTION, TRADE IN 1977

Upward Trend Noted

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 8 Dec 78 pp 3389-90

[Text] In its report on the year 1977, the "Banky Fampandrosoana Ny Varotra (BFV)" [translation and expansion unknown] takes a sweeping overview of the Malagasy economy in 1977, and notes the following: improvement in agricultural production, steadier industrial production in certain sectors; generally speaking, a higher level of commercial activity, particularly during the second half of the year 1977, and more particularly in the area of foreign trade, and a continued slowdown in the inflationary process.

Productions

Agricultural production—Favorable weather conditions prevailed in 1977, which allowed agricultural production [to show] a more satisfactory level than the previous year. That improvement affected, among others, rice, coffee, cloves, peanuts and "cape peas" [similar to lima beans].

23

Agricultural Production (in Tons)

| Rice: | 1976 | 1977 (1) |
|-------------|-----------|-----------|
| Production | 2,042,500 | 2,200,000 |
| Marketing | 308,000 | 263,000 |
| Coffee | 50,000 | 70,000 |
| Peanuts: | • | , |
| Production | 37,400 | 40,000 |
| Marketing | 17,000 | 20,000 |
| Cottonseed | 34,723 | 37,000 |
| Cloves | 10,600 | 13,000 |
| "Cape Peas" | 11,220 | 13,155 |
| Tobacco | 4,030 | 3,326 |
| Pepper | 3,500 | 3,000 |
| Vanilla | 866 | 550 |
| Sisal | 18,552 | 18,778 |
| Sugar cane | 1,073,428 | 1,033,634 |

(1) Temporary figures

Rice--Rice production in 1977 was more favorable than in 1976 (a 7.7 percent increase). However, the volume of commercial rice definitely dropped and only reached 86 percent of the performance attained in 1976, hence the need for new imports.

Coffee--In contrast to the 1976-1977 harvest, coffee production improved noticeably and reached a volume of 70,000 tons in 1977 (a 40 percent increase over 1976). However, because of insufficient production during the previous year and because of a certain slowdown in sales, the volume of coffee exports was only of 47,900 tons, which resulted in an increase in inventory amounting to 31,000 tons. Still that carryover was entirely sold on foreign markets during the first months of 1978.

Cloves--The 1977/78 crop gives reasons to hope for a clove production of up to 13,000 tons, or a 22 percent increase over 1976. However, in 1977, exports registered a noticeable decrease, as they totaled only 3,500 tons. Although there were major shipments during the months of November and December, inventory by the end of the year was definitely inflated in comparison to previous years. That situation was purposely created as a result of the business leaders' policy to try and raise the export prices.

Vanilla-In the face of a continuing drop in produciton, as the 1977 output reached only 63 percent of that of 1976, which was already lower, we find a steady demand on the foreign market. Exports totaled 1,800 tons in 1977, as opposed to 1,200 tons in 1976. Also, prices have been rising steadily and reached \$23.- per kilo in 1977.

Cotton--The rise noted in 1976 has continued, and 1977 production reached a record figure of 37,000 tons (a 6 percent increase).

Sugar cane--Production has dropped further. However, the amount of sugar obtained has increased, due to better processing and to a higher sugar content in the cane.

Pepper--No conclusive solution has been found to the damage caused by the disease of the pepper tree in the North. That explains the continuous drop in production. Production for the 1977-1978 year should not be higher than 3,000 tons (a 14.3 percent decline).

Peanuts--Production and marketing of peanuts in 1977 have reached a more satisfactory level than that recorded in previous years.

Tobacco-Tobacco production has dropped sharply and is only 82 percent of the 1976 annual production. This was recorded particularly in the area of family production.

Industrial and mining production-On the whole, industrial production shows noticeable improvement in relation to the previous year, which was characterized by a certain stagnation. On the other hand, mining activities have regressed sharply, particularly where chromite is concerned. We note a 22 percent drop in production and 45 percent drop in marketing.

The following table brings out the varying evolution in a certain number of areas in 1976 and 1977 (in tone unless otherwise indicated):

| | 1976 | 1977 |
|---------------------------|---------|-----------|
| Cooking oil | 5,800 | 6,300 |
| Sugar | 107,300 | 109,400 |
| Beer (in hl) | 257,000 | 273,500 |
| Cotton goods (in 1,000 m) | 78,100 | 79,500 |
| Chromite: | , | * **-,- * |
| Production | 211,426 | 164,789 |
| Marketing | 217,837 | 119,069 |
| Graphite: | , | ,, |
| Production | 17,402 | 15,726 |
| Marketing | 16,473 | 16,072 |
| Mica: | , | |
| Production | 81 | 1,498 |
| Marketing | 931 | 1,660 |

FOR OFFICIAL USE ONLY

Commercial Activity

Domestic Trade--Contrary to what was noted earlier, the level of trade activity has improved greatly. Indeed, the first semester's seasonal slowdown was less marked and recovery was more definite during the second half of 1977.

That situation is due, among other factors, to the rise in purchasing power resulting from the increase in agricultural production and in the rise of sale prices at the producer level. The prosperity of company treasuries, already noted in previous years, was repeated in 1977 and contributed to the trade improvement. At the same time we witnessed a decrease in problems of payments.

Although the volume of accounts receivable was in the same range as in 1976 with respect to securities, it was definitely on the decline with respect to checks.

Foreign Trade--That sector was marked in 1977 by a record level in the volume of import and export trade, with a 33 percent increase compared to the year 1976.

The following table shows the 1977 foreign trade situation compared to 1976 (in millions of Malagasy francs):

| | 1976 | 1977 |
|-------------------------|----------|----------|
| Exports (FOB) | 65,368,7 | 85,976,5 |
| Imports | 64,601.8 | 87,962,7 |
| Balance | + 766.9 | -1,986.2 |
| Cover rate (percentage) | 101.2 | 97.7 |

In 1977 imports show a 36.2 percent rise compared to 1976. This is partly due to a very large carryover of the 1976 import program to 1977, having to do, among other factors, with transportation equipment and parts. Also, at the beginning of the second semester, a certain liberalization in granting licenses was observed.

Exports show a noticeable increase, more than 31.5 percent over 1976. That increase in export revenue is due in part to the rise in export prices of coffee and vanilla, although there was a period when the entire production of cloves and coffee was not being exported, taking into account the above mentioned facts.

In short, we observe a slight impairment in the trade balance, compared to 1976: from a surplus of 766.9 million malagasy francs, we drop to a deficit of 1,986.2 million. The cover ratio of imports by exports was 97.7 percent in 1977, compared to 101.2 percent in 1976.

Prices--The tendency for the upward spiral to slow down, as noticed since 1975, has continued. Although the traditional-type consumer price index was on the rise in 1976, in 1977, on the contrary, it became steady during the first quarter, then lagged until September. In spite of sharp rises towards the end of the year, the average index only rose by 3.1 percent, as opposed to 5 percent in 1976.

The modern-type consumer price index steadily increased throughout the year, but at a lower rate than in 1976. The increase was of 8 percent as opposed to 9.1 percent in 1976.

1979 Budget

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Dec 78 p 3451

[Text] The finance bill of the Democratic Republic of Madagascar for the 1979 fiscal year hinges the "investments to the limit" program advocated by President Ratsiraka. That proposed budget, adopted on 8 December by the People's National Assembly, sets at 216.3 billion Malagasy francs the amount of national assets and liabilities for 1979, whereas in 1978 there was an initial budget of 157.5 billion corrected to 179.7 billion during the course of the year.

The 1979 budget appears as shown on the following table (in billions of Malagasy francs):

| | Revenue | Expenditures |
|---|---------|--------------|
| First section (general budget, | | |
| plus additions): | | |
| 1. General budget | 119.1 | 163.7 |
| a) Operation | 119.1 | 106.9 |
| b) Investments | | 56.8 |
| 2. Related budgets | 9.5 | 9.5 |
| a) Operation | 9.5 | 8.8 |
| b) Investments | | 0.7 |
| Total of First Section | 128.6 | 173.2 |
| Section II (treasury operations): | | |
| Operations of special treasury | | |
| accounts | 25.2 | 40.6 |
| Section III (capital operations of | | |
| the national debt) | | |
| a) Division of foreign and domestic | | |
| loans | 38.3 | 2.5 |
| b) liquid assets to be mobilized | 24.2 | |
| Total of Section III | 62.5 | 2.5 |
| Grand Total | 216.3 | 216.3 |

27

FOR OFFICIAL USE ONLY

One feature of this budget is the stabilization of operational expenses (106.9 billion) and the investment effort to be made by the National Fund for Economic Development (FNDE), for which 56.8 billion is allocated. The purpose is insuring that the 1979/1980 Plan is launched under favorable conditions.

In the matter of receipts, the operational budget (119.1 billion) is financed by tax revenue in the amount of 109.1 billion and "other revenue" in the amount of 10 billion.

According to the presentation report, this evaluation, based on the current tax conditions, considers the following factors:

--modification of the import quota structure, while respecting the volume required by the equipment as dictated by development imperatives, and also filling the need for consumer goods due to the insufficiency resulting from combinations of circumstances, particularly last year's drought;

--a selective review of the customs duties (import tax) without affecting those goods known as necessities of life;

--reconsideration of the duties levied on monopoly products (flour, beer, tobacco, imported beverages), and

--effects of the economic expansion espected to result from the "investments to the limit" programmed within the framework of the Plan.

As to capital operations, they will be backed essentially by loans (38.3 billion projected) and by mobilizing liquid assets (24.2 billion).

COPYRIGHT: Rene Moreux et Cie, Paris, 1978

11936 CSO: 4400

FOR OFFICIAL USE ONLY

MADAGASCAR

BRIEFS

DEFENSE, OTHER MINISTRIES' BUDGETS INCREASED--Antananarivo, 15 Jan (REUTER)--Military allocations in the Malagasy budget for 1979 have been increased by 6 billion CFA francs over 1978 to a total of almost 17 billion Malagasy francs [FMG]. This increase in the allocations was widely expected following the "threat of foreign invasion" reported by the authorities in 1978. Among the ministries whose budgets were also considerably increased are: the Ministry of Secondary and Basic Education, whose allocation of FMG 18,814,858,000--as opposed to 17,001,199,000 in 1978--was the largest, followed by the Ministry of National Defense; the Ministry of Public Health with FMG 9.2 billion, as opposed to 8.192 billion in 1978; the Ministry of Higher Education [as received] and Scientific Research with FMG 7,010,500,000, as opposed to 5,711,240,000 in 1978; the Ministry of Rural Development and Agricultural Reform with FMG 7,500,500,000, as opposed to 7,108,000,000 in 1978; the Ministry of Finance and Planning with FMG 7,247,475,000, as opposed to a previous 5.4 billion. The new finance law provides for another increase in import duties on various types of merchandise. [Text] [London REUTER in French 1658 GMT 15 Jan 79 PA]

CSO: 4400

29

RHODESIA

NKOMO TELLS WHY HE MET WITH SMITH

Paris AFRIQUE-ASIE in French 11-24 Dec 78 pp 37-38

Interview with Joshua Nkomo, leader of ZAPU and co-president of the Patriotic Front, by Jane Bergerol. Date and place of interview not given.]

/Text/ /Question/ In the month of August 1978 you accepted an offer to meet secretely with Ian Smith. In view of what that person is and what you represent, that might appear surprising. What caused you to make that gesture?

/Answer/ I will tell you. After the Salisbury Agreement, which set up the would-be "multiracial government," we resolved to step up the armed struggle. The Ian Smith regime responded to that brutally. Smith knew the structures of our organization and many of its members. A large number of key elements in our movement (leaders of sector committees, zone committees, province committees and even some members of the Central Committee) were killed. That happened before the affair of the "Viscount" which we brought down and whose civilian passengers we were accused of killing, but the massacres became even worse after the proclamation of martial law.

In fact, Smith was acting that way not because he thought he could get away with it but because he was certain that he would have to leave.

When people understood that they began to come to see me. All kinds of people: African farmers, businessmen (including a few whites), missionaries (Catholic and Protestant), peasants and workers. I met them in Lusaka — and some of them even in London. They told me: "Smith is carrying out those massacres because he knows he has lost. He no longer has a government. So it's up to you to do something." Chirau and Ndiweni also came to tell me the same thing, but I don't know whether Smith knew it or not.

It is hard for me to give advice to those people. It would first of all have been necessary that they resign from that so-called "multiracial government." I could not trust them but I saw through them very easily: they were afraid; they felt that they were surrounded by our young combatants and that they were looking for a way to escape their fate.

30

Then our vice president, Josiah Chinamono, who was still in the interior of the country, let me know that Ian Smith wanted to see me. I asked why, and Josiah replied that among Smith's followers the word was that he was finished and wanted to wind things up.

To me Smith is a disgusting person, but I thought that it was important for me to know just what he wanted to see me about. So I agreed to meet him, but I took my precautions. I asked the Nigerian head of state, General Obasanjo, to designate a trustworthy person to be present at my meeting with Smith and to bear witness to all that would transpire there.

Obasanjo chose Garba, a former federal commissioner for Foreign Affairs; and the meeting took place in Lagos.

In Smith is a wily politician. He told me that Muzorewa, Chirau and Sithole were incompetent, and then said: "I want to get out." Then he asked me what I could do. I replied that I was not the only one to be consulted on that, that I wanted to hear what he had to say; but that I could decide nothing without Robert Mugabe.

"I thought that you wanted to talk to me about the movement for which I alone am responsible--ZAPU," I told him. "But what you now reveal, about the possibility of your departure, concerns the entire Patriotic Front and the people of Zimbabwe." Smith insisted that we continue the discussion anyway, but he ultimately accepted my proposal to meet with him a second time together with Robert Mugabe.

[Question] But why did you keep this meeting secret?

[Answer] What mattered was that Mugabe and I see Smith, after all, and force him into full capitulation.

Even if he refused, we could come out of this interview ahead. We could announce to the whole world that Smith had come to us without even informing the "internal solution" advocates, and this news would sow dissension among his followers.

I said to Mugabe: "We've got Smith where we want him. And even if he refuses to yield, we will blow his 'multiracial government' to smithereens."

[Question] Would a multipartite conference have the opposite effect?

[Answer] Yes, I saw this danger. We would have moved toward a Namibia-type solution. The Western nations would push us to

31

accept solutions that might prove fatal to the revolution. After that first meeting with Smith, I told Mugabe that if we both met with Smith a second time, it would be still more advantageous. If this meeting took place, we would make the "internal solution" impossible, and neither Callaghan nor even Carter could any longer call upon us to convene all the interested parties. That would have been futile. We had fully understood that Smith's overtures were simply an intrigue aimed at destroying the Patriotic Front and at dividing the front-line countries. We had to do all in our power to avoid such a division.

The imperialists could not destroy us unless we destroyed ourselves. At the front-line summit held in Lusaka, after everyone had begun to discuss the opportuneness of a second meeting with Smith, I stated that nothing remained of the Anglo-American plan and that a multipartite meeting was impossible. I wanted to do away with the "internal settlement" once and for all.

[Question] Yes, but nothing came of the Lusaka summit agreement, and there was no second meeting.

[Answer] When Muzorewa and Sithole were informed about the first meeting, they were furious. But when they realized that there would be no second meeting, they said no more. We missed our chance. Had we met once more with Smith, there would no longer be any "multiracial government."

[Question] And even today you still reject the notion of a multipartite conference in which the Patriotic Front and the Government of Ian Smith, with his puppets in London, would participate?

[Answer] All that would be accomplished would be like a raising of the dead: those who defend the "internal solution" concept.

They have their backs to the wall now, and we should go help the British save them? No, thank you! The real meeting will take place in the forests and valleys of Zimbabwe. We have intensified the war and shall continue to do so.

[Question] But Smith has a more difficult position today. He has bombed your camps in Zambia and Mozambique. He has reassurances from Great Britain and the United States.

[Answer] He has always had these reassurances. But today he knows that they can no longer save him.

He has been receiving arms shipments, but in this Great Britain and the United States know that they can go only so far and no farther. By his present course of action he wants to remake his distinctive image, to have people believe that he is stronger both militarily and diplomatically than he actually is. He has

Marine Marine Williams and Marine Commission

always rejected this multipartite conference in principle. So if he accepts it today, it is because he is less sure of himself. So why should we accept it?

[Question] The reopening of the frontier between Rhodesia and Zambia must have been a hard blow for you to take.

[Answer] President Kaunda did not reopen the frontier; he simply reopened the railroad line. Of course, that was very important, because the train can transport many things, and I said so. He gave me his reasons, and I understood them.

Nevertheless, that was to present us with several serious problems. First of all, we were going to lose one of the most important targets in the armed struggle. Then the contacts between Rhodesian and Zambian railwaymen ran the risk of being very dangerous politically. Finally, the Rhodesians could bring men and arms into Zambia by camouflaging them under tarpaulins, for example; and most certainly Smith will try this. But it was essential for Kenneth Kaunda to be able to bring in the commodities essential to the survival of his country. And thus it was up to us to be vigilant.

[Question] Zambia is complaining of all sorts of infiltration (Rhodesian, South African, etc.) Are these complaints founded on facts?

[Answer] Yes, of course. And it is not only a matter of infiltrators sent in to glean information. There have been actual combat operations. Some people have been arrested with bazookas, mortars or explosive devices in their possession. There was a plan to destroy the key installations in Zambia, such, for example, as the large mills and the railroads. This is a very complicated affair, involving whites settled in Zambia, persons who frequently occupy high posts, some of whom even hold positions of trust.

The idea was to carry out destructive missions in Zambia, then leave at the site ZAPU leaflets claiming responsibility for them.

[Question] ZAPU has been accused—and the Western press has echoed these accusations—of having attacked white farmers in Zambia.

[Answer] Those are lies. A few whites have tried to penetrate our camps. Our men reacted and delivered them over to the Zambian authorities. The condemnation of a white farmer by a Zambian court did justice to these accusations. The farmer admitted that he had been stockpiling arms sent in from Rhodesia to be used in attacking our camps in Zambia and sabotaging Zambian

FOR OFFICIAL USE ONLY

installations. But we believe today that the white farmers have come to understand that there are among us some who are helping the Smith Regime, and they want to manifest their opposition to such people by collaborating with the Zambian forces.

These infiltrations, like the bombing of our camps, are all part of a Rhodesian plan aimed at alienating the Zambian people from us. It was a question of creating friction between them and ourselves, of frightening them into asking their Government to expel us. But the operation boomeranged: today the Zambian people have shown us a solidarity that is stronger and healthier than ever.

COPYRIGHT: 1978 Afrique-Asie

8117

CSO: 4400

TOGO

BRIEFS

AUSTERITY BUDGET ADOPTED—The Council of Ministers of Togo adopted on 15 December the budget for 1979, which will be an austerity budget. It is a balanced budget, with receipts and expenses amounting to 62.6 billion CFA francs, which represents an increase of 3.3 percent over 1978. As for receipts, the budget will be characterized by a certain stability in taxes, with the assignment of certain licences and the creation of a penalty tax of 1 percent for certain imported products and wholesale purchases. Operating expenses, at 47 billion are increased by 3.85 percent, investment expenses remain stable at 15.8 billion. Emphasis is being placed on the control of the cost of public services and on the maintenance of state intervention, at the highest level, in the sector of development projects. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Dec 78 p 3505] 8956

FRENCH FINANCING AGREEMENT--France and Togo signed on 14 December two finance agreements amounting to 165 million CFA francs, relating to projects for aquaducts and research on the diseases of the cocoa tree. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Dec 78 p 3505] 8956

CSO: 4400

35

FOR OFFICIAL USE ONLY

UGANDA

BRIEFS

ADB AID-On 19 December 1978 the African Development Bank [ADB] granted Uganda a 5 million uc loan to finance construction of a section of the transafrican highway. Prior ADB loans to Uganda totalled 18 million uc. [Excerpt] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Dec 78 p 3572]

CSO: 4400

END

36